

BEFORE THE DEPARTMENT OF REVENUE
OF THE STATE OF MONTANA

In the matter of the adoption of New)
Rule I relating to the electronic)
submission of documents through the)
business licensing portal)

NOTICE OF PUBLIC HEARING ON
PROPOSED ADOPTION

TO: All Concerned Persons

1. On November 12, 2013, at 11 a.m., the Department of Revenue will hold a public hearing in the Third Floor Reception Area Conference Room of the Sam W. Mitchell Building, located at 125 North Roberts, Helena, Montana, to consider the proposed adoption of the above-stated rule. The conference room is most readily accessed by entering through the east doors of the building.

2. The Department of Revenue will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, please advise the department of the nature of the accommodation needed, no later than 5 p.m. on November 1, 2013. Please contact Laurie Logan, Department of Revenue, Director's Office, PO Box 7701, Helena, Montana 59604-7701; telephone 406.444.7905; fax 406.444.3696; or e-mail lalogan@mt.gov.

3. The proposed new rule does not replace or modify any section currently found in the Administrative Rules of Montana. The proposed new rule provides as follows:

NEW RULE I ELECTRONIC SUBMISSION OF DOCUMENTS AND ELECTRONIC SIGNATURES (1) The department may accept electronic submission of certain documents through the licensing portal.

(2) An electronically submitted document is only complete if:

(a) all requested information is provided; and

(b) the submitter is the applicant, licensee, or an authorized representative of the applicant or licensee.

(3) By electronically submitting a document, the submitter declares, under the penalty of false swearing, that:

(a) the information submitted is true, correct, and complete; and

(b) the submitter is the applicant, licensee, or an authorized representative of the applicant or licensee.

(4) An electronically submitted document is subject to the same deadlines as a document submitted in paper form.

AUTH: 30-16-104, MCA

IMP: 30-16-102, 30-16-103, 30-16-104, 30-18-102, MCA

REASONABLE NECESSITY: The department proposes to adopt New Rule I, based on 30-16-104(1), MCA, which states that the Board of Review is responsible for adopting rules governing the identification and use of electronic forms of signature to fulfill licensing requirements for applicants and current licensees who use the licensing portal. Adoption of the rule is necessary to provide uniform, secure procedures for receiving electronic documents and to ensure the authenticity and integrity of submissions.

The licensing process enables a business to apply for one or more licenses by completing a single copy of the licensing master application and supplemental forms. Currently, businesses can only submit completed applications and supplemental forms by mailing or faxing the documents to the licensing office.

Based on survey feedback, the board learned that licensees would prefer to submit these documents electronically. In response, the board began developing software, slated for completion by the end of 2013, which allows businesses to apply for, pay for, and renew business licenses online.

Allowing the electronic filing of documents can increase the timeliness of reporting by simplifying and expediting the reporting process. It also reduces the administrative burden of extracting data from paper reports and the costs of reporting and recordkeeping for both the licensees and for state agencies. Furthermore, electronic filings reduce environmental impacts by eliminating the need for paper submissions.

The department has determined that the proposed new rule will save businesses time and money. Currently there are 6,000 businesses using the licensing process. By allowing businesses to file online, they will no longer need to file hard copies of their documents with the department. With the electronic signature, the online documents are official and take the place of signed hard copies of the documents. Under the criteria set out in 2-4-111, MCA, this new rule does not require a small business impact study.

4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to: Laurie Logan, Department of Revenue, Director's Office, PO Box 7701, Helena, Montana 59604-7701; telephone 406.444.7905; fax 406.444.3696; or e-mail lalogan@mt.gov and must be received no later than November 18, 2013.

5. Laurie Logan, Department of Revenue, Director's Office, has been designated to preside over and conduct the hearing.

6. An electronic copy of this notice is available on the department's web site at revenue.mt.gov. It can be found by selecting the "Administrative Rules" link in the left hand column of the homepage under the "Public Meetings" heading. The department strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. While the department also strives to keep its web site accessible at all times, in some instances it may be temporarily unavailable due to system

maintenance or technical problems.

7. The Department of Revenue maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request, which includes the name and e-mail or mailing address of the person to receive notices and specifies that the person wishes to receive notice regarding particular subject matter or matters. Notices will be sent by e-mail unless a mailing preference is noted in the request. A written request may be mailed or delivered to the person in number 4 above or faxed to the office at 406.444.3696, or may be made by completing a request form at any rules hearing held by the Department of Revenue.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

9. The small business impact study requirements of 2-4-111, MCA, do not apply.

/s/ Laurie Logan
LAURIE LOGAN
Rule Reviewer

/s/ Mike Kadas
MIKE KADAS
Director of Revenue

Certified to Secretary of State October 7, 2013